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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON 25, D.C.

COPY 1
BYE 4588-64
23 July 1964

MEMORANDUM FOR: Director, National Reconnaissance Office

SUBJECT : Review of FY 1965 ~~(TS)~~ NRP

1. I have reviewed the material you sent me for use in our discussion on Monday on the FY 1965 program. In order that you may have the benefit of my preliminary review, I make the following comments. Unfortunately the information available to me is limited and any constructive suggestions on my part will require more detailed information which, I assume, you will make available. Nevertheless, my comments are intended to be helpful to you in further discussions of this FY '65 National Reconnaissance Plan and will indicate specific areas in which I need considerably more clarification and details.

GENERAL

One thing that strikes me as most interesting is the fact that the Program A and Program D funding under the President's budget was fully authorized in the NRO tentative program, and in fact Program A was increased [redacted]. Contrasted with this, Program B funding indicates [redacted] remaining to be justified. This gives me cause for concern since Program B is an operational responsibility of elements of the Central Intelligence Agency over which I have direct control.

My views on GAMBIT-3 and the FULCRUM program are covered in my letter of July 23rd to Secretary Vance, a copy of which I attach for your information and reference. Furthermore, I expect that the COMOR study which will be presented to USIB on July 29th will throw further light on the desirability of new photographic reconnaissance systems to improve our reconnaissance inventory and I presume that USIB's desires will serve as guidance to NRO for its program in Fiscal Year '65 and subsequent years.

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2. My subsequent specific comments are designed to point out areas in which I think we must take a very close look to determine whether or not the Programs are in fact necessary and whether or not the funds presently designated for them should not, perhaps, be reassigned to higher priority programs designed to meet the more critical needs of the intelligence community.

SPECIFIC

Program A.

CORONA J -- While this amount appears reasonable, our discussion yesterday indicated that beyond those funds presently contracted for by Program B, no procurement of payloads by Program B is contemplated for the latter part of FY '65. This appears to prejudge a decision that the CORONA Program will be transferred in toto to Program A. I anticipate further discussions with reference to contracting responsibilities for Program B. You are familiar with my views which were expressed in a memorandum to Secretary McNamara commenting upon the PFIAB report which memorandum, I am sure, you have seen. With respect to introduction of Aerospace in the CORONA Program, I have given this serious thought and have concluded that such a move would be most undesirable and would risk serious damage to the Program and hence I request through this memorandum that the present arrangement, which was continued by letter contract through July, 1964, be put on a permanent basis. Any other action would be confusing and would seriously risk this important intelligence collecting asset.

ARGON -- This figure appears reasonable and I have no comment.

CORONA OCV -- I understand the original purpose of proposing the use of the expensive GAMBIT Orbital Control Vehicle (OCV) as a carrier for the CORONA cameras was to provide some degree of competition and therefore incentive to Lockheed for better performance. It seems to me that this move will introduce a whole new set of reliability problems and will increase the launch costs from [redacted] per launch as we go from Thor Agenas to Atlas Agenas. This would be in addition to the [redacted] tentatively budgeted. I am not convinced that this is either a necessary or desirable move. In view of General Greer's statements, I invite further discussion concerning the advantages of using the Atlas Agena for the CORONA.

GAMBIT -- This schedule looks about right and the tentative financing appears adequate. As indicated in my letter, it appears that developmental activities necessary to bring the GAMBIT resolution down to 2' as indicated by Eastman Kodak representatives on Monday would be desirable. I would recommend that these activities be funded promptly.

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GAMBIT-3 -- Note recommendations in my letter to Secretary Vance.

QUILL -- Although we have never been briefed in any detail on this program, I understand it is a satellite-bearing, side-looking radar and is primarily a research and development item concerning the feasibility/utility of such an all-weather approach. I would like further information on this Program.

417 -- These weather satellites contribute to weather planning for NRO missions and I therefore am in support of them. In the future, if we have problems as to the size of the NRO budget, we might consider transferring the satellites out of that budget and possibly to the Air Force Systems Command. This is not an item of importance at the moment, however, and the amount funded seems adequate.

SIGINT -- I have never been fully briefed on the intelligence requirements for this Program, or whether or not it is providing information of real value meriting this sizable expenditure. I would like a comprehensive analysis and briefing prior to making commitments of this magnitude.

NEW GENERAL SEARCH -- I do not have any information as to what is contemplated under this line item and will need full justification for it.

SATELLITE CONTROL FACILITIES -- I do not have any information as to what is contemplated under this line item and will need full justification for it.

APPLIED RESEARCH/ADVANCED TECHNOLOGY -- I do not have any information as to what is contemplated under this line item and will need full justification for it.

AFSSPL -- I have no way to judge the adequacy of the funds provided for the Air Force film processing at Westover. However I would like to discuss with you the use and the relative contributions of the government-financed film processing facilities at Eastman Kodak which were established some time ago by CIA and those of the Air Force facilities at Westover. Opinions have been expressed to me that the former facilities are not being used productively with the result a very considerable amount of Eastman's knowledge in the field of film processing is being sacrificed. I would appreciate an opportunity to discuss this matter with you at your early convenience. This is the first time that I have noticed the budget for Air

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Force film processing at Westover as a line item in the NRO budget. I am interested in knowing whether this has previously been included in the NRO budget. It appears to me that now is the time to establish just what the separate or supplementary roles of our facilities at Eastman Kodak and the facility at Westover should be. I would like a briefing as to what your plans are in this regard.

[redacted] -- I am most concerned over the level of effort in the area of [redacted] As you know this responsibility was assigned to the Air Force through NRO by the Special Group. CIA feels that there is a very considerable possibility that the Soviets will come up with an [redacted] Thus I believe that this area of study and research must be given a very high priority, adequately financed, and pursued with competence.

MISCELLANEOUS -- I do not have any information as to what is contemplated under this line item and will need full justification for it.

Program B.

The Program B submissions for FY 1965 budget total [redacted]. These submissions were made on 20 September 1963. On 20 December 1963 the D/NRO furnished an approved OSD FY '65 budget estimate of [redacted] including [redacted] for KEDLOCK. Subsequent advices from D/NRO and instructions as to budget submissions have resulted in the directed figure of [redacted] of which [redacted] of this figure appears to be withheld for further justification or consideration as an addendum item. The reasoning behind all of these adjustments and the very tentative nature of the commitments requires further explanation.

OXCART -- The tentative program is significantly lower than the President's budget or the recommendations of Director, Program B, and I would predict a year-end deficit situation, particularly if operational missions are called for this year. It would appear that funds from KEDLOCK and TAGBOARD (in Program D) should probably be recaptured in magnitude sufficient to restore the Director-recommended OXCART funding.

IDEALIST -- The matter of additional U-2's for the U. S. inventory should be decided now. As discussed on Monday, two courses of action are open. The first is to build up the CIA inventory by modifying SAC U-2's on the assumption that such planes are available without impairing SAC's capabilities to fulfill its assigned missions. I have been told this situation

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might result if B-57F's are substituted for U-2's for certain atomic energy missions. The alternative is the building of new U-2L's. These would be better planes than the converted U-2's; however they would be more costly and furthermore to make it worthwhile to open up the production line, an order for 25 aircraft is indicated. I think we should confer and reach a decision on this matter at an early date.

COUNTERMEASURES -- In view of the OXCART supermarket program, it appears that all of the [redacted] recommendation should be furnished to Director, Program B, particularly since this Program was not in sight when the Presidential budget was set at [redacted].

[redacted] -- These funds appear adequate to do the job.

PHOTOGRAPHIC -- These funds appear adequate to do the job.

ADVANCED SYSTEMS STUDIES -- This funding is adequate to determine FULCRUM feasibility and program definition during the first six months of the fiscal year but is not adequate to carry on into the second phase. The funding is adequate to determine [redacted] feasibility as well as initial funding for financing [redacted] during the second half of FY '65 if the first half looks good. Money should also be made available to continue preliminary design studies of the advanced aircraft and [redacted] which is now funded out of FY '64 funds.

FULCRUM -- My views are set forth in my letter to Secretary Vance.

[redacted] -- The first [redacted] has been approved and if the Program is successfully demonstrated in detail, the additional money required is available in the Advanced Systems Studies fund of [redacted] proposed.

AKINDLE -- Subject to Special Group encouragement, which I understand you will elicit at the Special Group meeting on July 23rd, no further action appears necessary at this time.

Program D

R-12 EARNING -- The amount tentatively programmed is [redacted] less than Director, Program D recommendation and does not appear adequate to prevent slippage. It appears to me that such a reduction would cause slippage or possible supplemental request. This, however, seems to be

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an Air Force problem. In fact, I wonder if the time is not approaching for the R-12 to be taken from the NRO budget and transferred to the Air Force.

KEDLOCK -- I notice no reduction in the KEDLOCK programming although most of the OXCART items have been seriously reduced. The question here is which comes first.

TAGBOARD -- I think it is now time for us to take a real hard look at TAGBOARD. My tentative conclusion is that this is a marginal program of unlikely utilization as an NRO operation and we might better divert the funds to other programs of greater promise over the long run.

DRAGON LADY -- Funds appear adequate.

[redacted] -- Funds appear adequate but, in any event, could be easily compensated at that order of magnitude.

SUMMARY

To summarize, I need much more information in considerably greater depth on those questions I have raised above and suggest that we continue these budget discussions at your earliest opportunity. In the meantime, major commitments of FY '65 funds in those controversial areas noted above should be held in abeyance until Secretary Vance and I can agree on a FY '65 NRP.

JOHN A. McCONE
Director

Attachment:

cc: Secretary Vance

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